



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 4/5/2022

ITEM NO: 6

DATE: March 29, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt A Resolution Authorizing an Application to the California Department of Parks and Recreation's Recreational Trails Program for the Los Gatos Creek Trailhead Connector Project

RECOMMENDATION:

Staff recommends the Town Council adopt a resolution authorizing an application to the California Department of Parks and Recreation's Recreational Trails Program for the Los Gatos Creek Trailhead Connector project.

BACKGROUND:

At the March 1, 2022 meeting, the Town Council approved a funding plan for the Los Gatos Creek Trailhead Connector project, the individual actions in the three grant programs, and associated financial commitments.

Since the March 1 Town Council meeting, staff has made progress in pursuing the three grant funding opportunities identified. Table 1 illustrates the proposed funding plan and includes updated grant amounts. The status updates are explained further in this report.

Table 1 – Proposed Funding Plan and Updates

Source	Low Estimate	High Estimate
OBAG 2	\$3,351,000	\$3,351,000
TFCA	\$555,921	\$1,190,000
Valley Water	\$840,000	\$1,120,000
Total Grant \$	\$4,746,921	\$5,661,000
Construction Cost	\$5,800,000	\$5,800,000
Town Funds Needed	\$1,053,079	\$139,000

PREPARED BY: Ying Smith
Transportation and Mobility Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Parks and Public Works Director

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BACKGROUND (continued):

One Bay Area Grant (OBAG): The recommendation to reprogram \$3,351,000 in OBAG funds has been approved by the Santa Clara Valley Transportation Authority (VTA) committees and it is scheduled to be considered by the VTA Board at its April 7 meeting on the consent agenda.

Transportation Fund for Clean Air (TFCA): Staff submitted an application on March 11 requesting \$1,190,000 in grant funds. Unlike the experience in the past five to six years, this year's program is oversubscribed. VTA staff's initial analysis indicates that the project is eligible to receive \$555,921 in the set-aside category, while it will need to compete against other projects for the remaining amount.

Valley Water Access to Trails & Open Space Grants: Staff submitted an application on March 4 requesting \$1,400,000. The application is under evaluation and a decision is expected in May. Valley Water staff indicated that if the project is awarded, the grant amount would be lower than \$1,400,000. Staff doesn't have a reliable prediction of the award.

DISCUSSION:

The award of \$3,351,000 in OBAG is the key in completing the proposed funding plan. However, there are a few risks in this funding plan as both the TFCA and Valley Water grant applications are under evaluation and face competition. In the lower estimate scenario in Table 1, the Town would need \$1,053,079 in local dollars to complete the funding plan compared to the March 1 funding plan estimate of \$928,687. The Council allocated \$1M toward this purpose.

Town staff continues to explore other grant funding opportunities as they occur. The Recreational Trails Program (RTP) provides funds annually for recreational trails and trail-related projects. The RTP is administered at the state level by the California Department of Parks and Recreation and the Department of Transportation. A call-for-projects was released late last year, with a total amount of \$4,680,000 available, covering Federal Fiscal Years 2021, 2022, and 2023.

Staff believes the Los Gatos Creek Trailhead Connector project will be eligible for the RTP. However, the grant program requires National Environmental Policy Act (NEPA) review by the Federal Highway Administration (FHWA), which would result in a delay in construction and make the project miss the project delivery deadlines required in the OBAG grant. Department of Parks and Recreation staff indicated that there may be a chance to fast-track the FHWA review because the Town has completed NEPA studies in 2021. After consulting with Department of Parks and Recreation, Town staff concluded that the Town has a reasonable

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DISCUSSION (continued):

chance to compete in the RTP, despite the risk of its schedule not aligning with the OBAG delivery schedule.

CONCLUSION:

Staff is proposing submitting a grant application to the California Department of Parks and Recreation's Recreational Trails Program for the Los Gatos Creek Trailhead Connector project. The applications are due on April 7 with award recommendations anticipated in mid- to late summer.

COORDINATION:

This report was coordinated with the California Department of Parks and Recreation staff.

FISCAL IMPACT:

If the Town's application is awarded, the Town would receive additional grant funds to support the funding plan. Staff will present a recommendation for budget appropriation for the Town Council's consideration at that time. With the anticipated OBAG and TFCA grants, the Town will be able to meet the match requirement of the RTP.

ENVIRONMENTAL ASSESSMENT:

The funding action is not a project defined under CEQA, and no further action is required. This project has completed environmental studies and CEQA clearance is expected in April 2022.

Attachment:

1. Resolution approving the application for grant funds from the Recreational Trails Program